

292.380 General provisions regarding registration of securities.

- (1) Except as otherwise expressly provided in this chapter, a registration statement under this chapter becomes effective when the executive director so orders. The executive director may require as a condition of registration under this chapter that a prospectus containing any designated part of the appropriate information specified in this chapter be sent or given to each person to whom an offer is made before or concurrently with:
 - (a) The first written offer made to him (otherwise than by means of a public advertisement) by or for the account of the issuer or any other person on whose behalf the offering is being made, or by any underwriter or broker-dealer who is offering part of an unsold allotment or subscription taken by him as a participant in the distribution;
 - (b) The confirmation of any sale made by or for the account of any such person;
 - (c) Payment pursuant to any such sale; or
 - (d) Delivery of the security pursuant to any such sale, whichever first occurs; but the executive director shall accept for use under any such requirement a current prospectus or offering circular regarding the same securities filed under the Securities Act of 1933 or regulations thereunder.
- (2) A registration statement may be filed by the issuer, any other person on whose behalf the offering is to be made, or a registered broker-dealer. Any document filed under this chapter or a predecessor law within five (5) years preceding the filing of a registration statement may be incorporated by reference in the registration statement to the extent that the document is currently accurate. The executive director may by rule or otherwise permit the omission of any item of information or document from any registration statement.
- (3) The executive director may require as a condition of registration by qualification or coordination that (a) the proceeds from the sale of the registered security be impounded until the issuer receives a specified amount or (b) any security issued within the past three (3) years, or to be issued, to a promoter for a consideration substantially different from the public offering price, or to any person for a consideration other than cash, be delivered in escrow. The executive director may by rule or order determine the conditions of any escrow or impounding required hereunder. The executive director shall not reject a depository solely because of location in another state. All securities delivered in escrow to the executive director or some other depository satisfactory to him prior to January 1, 1968, which have not previously been released shall be released from escrow and all securities delivered in escrow to the executive director or some other depository satisfactory to him subsequent to January 1, 1968 which have not previously been released shall be released from escrow no later than ten (10) years after the date of delivery into escrow.
- (4) The executive director may also require as a condition of registration by qualification that the issuer undertake to keep the securities registered under this chapter for a period of up to five (5) years or until the securities become exempt

securities under KRS 292.400 or become covered securities, and that the issuer forward to its security holders audited annual financial statements during the period for which the shares are registered. The executive director may by rule or order impose other undertakings.

- (5) For the registration of securities by notification, coordination, or qualification, there shall be paid to the executive director an examination fee of one hundred twenty-five dollars (\$125) and a registration fee of three-fiftieths of one percent (0.06%) of the aggregate offering price of the securities which are to be offered in this state, but the registration fee shall in no case be less than sixty dollars (\$60) nor more than one thousand two hundred dollars (\$1,200). The examination fee and the registration fee shall be payable in separate checks. When a registration statement is withdrawn before the effective date or a pre-effective stop order is entered under KRS 292.390, the executive director shall retain the examination fee. For a registration by notification for market-making purposes only the examination fee need be paid.
- (6) When securities are registered by notification or by coordination or by qualification, they may be offered and sold by the issuer, any other person on whose behalf they are registered or by any registered broker-dealer. Every registration statement is effective for one (1) year from its effective date, or any longer period during which the security is being offered or distributed in a nonexempted transaction by or for the account of the issuer or other person on whose behalf the offering is being made or by any underwriter or broker-dealer who is still offering part of an unsold allotment or subscription taken by him as a participant in the distribution, except during the time a stop order is in effect under KRS 292.390. All outstanding securities of the same class as a registered security are considered to be registered for the purpose of any nonissuer transaction:
 - (a) So long as the registration statement is effective; and
 - (b) Between the thirtieth day after the entry of any stop order suspending or revoking the effectiveness of the registration statement under KRS 292.390 (if the registration statement did not relate in whole or in part to a nonissuer distribution) and one (1) year from its effective date if any securities of the same class are outstanding.

A registration statement may be withdrawn otherwise only in the discretion of the director.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 20, sec. 9, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 165, sec. 9, effective July 15, 1994. -- Amended 1982 Ky. Acts ch. 266, sec. 8, effective July 15, 1982; and ch. 346, sec. 5, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 403, sec. 1, effective June 17, 1978. -- Amended 1972 Ky. Acts ch. 265, sec. 8. -- Created 1960 Ky. Acts ch. 110, sec. 7, effective January 1, 1961.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming

the reorganization of the executive branch. Such a correction has been made in this section.